



U.S. Department of Agriculture

Personnel Security Bulletin #04-02 Subject:

National Security Clearances for USDA Contractor Employees

United States
Department of
Agriculture

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Subject:	National Security Clearances for USDA Contractor Employees
Issue:	USDA Contractors Must Request National Security Clearances Through the U.S. Department of Defense
Date Issued:	July 10, 2004
Effective Date:	July 10, 2004
Scope and Effect:	This is an internal advisory document for use by USDA personnel involved in implementing USDA's personnel security program.
Supersession:	This Bulletin supersedes the Personnel and Document Security Divisions (PDSD)'s current practice of granting national security clearances to non-USDA employees.
Background:	<p>In accordance with Executive Order 12829, the USDA established an agreement with the Department of Defense (DoD) for the purpose of obtaining industrial security services as part of the National Industrial Security Program. As such, USDA must follow all rules, regulations, and guidelines as set forth in the National Industrial Security Program Operating Manual (NISPOM), to include those pertaining to the issuance of personnel security clearances to employees of companies under contract to USDA.</p> <p>Compliance with the NISPOM is particularly important, as it requires that companies adhere to specific reporting requirements concerning matters that impact the company's facility security clearance and personnel security clearances of their employees. Moreover, the NISPOM established policies concerning the clearance eligibility of U.S. companies with foreign involvement and provides criteria for determining whether U.S. companies are under foreign ownership, control, or influence. These controls are imperative to the proper safeguarding of classified information within the National Industrial Security Program.</p>
New Procedure:	<p>Effective July 10, 2004, the USDA will no longer grant national security clearances to federal contractor personnel (non-USDA employee). The sole exception concerns individual consultants on contract to USDA (where the privy of contract is between USDA and that individual, as opposed to a contract with a company employing that individual); requests for national security clearances will continue to be submitted to the Office of Personnel Management (OPM), through the PDSD, as the Department of Defense no longer grants national security clearances to consultants.</p>

As stated in the Federal Acquisition Regulation (FAR), a Department of Defense Form 254, "Contract Security Classification Specifications" is required for all USDA contractors and sub-contractors in need of access to classified information to fulfill contractual obligations. Per AGAR Advisory 61, dated March 2, 2004, the DD Form 254 will be completed by the Contracting Officer Representative or program/project manager.

A DD Form 254 can be downloaded from:

www.usaid.gov/policy/ads/500/dd254.pdf. A step-by-step guide for completing the DD Form 254 with instructions corresponding to each item can be located at:

<http://www.usda.gov/da/infosec/DD254.pdf>.

The Information Security Staff, PDSD, is the point of contact for additional industrial security guidance and for information on the proper completion of the DD 254.

PDSD Actions: All national security clearance investigations currently in process with the OPM will be continued through to completion and PDSD will grant final security clearances. PDSD will return to submitting agencies any contractor investigative requests that are received after July 1, 2004. In consideration of Department of Defense security clearance backlogs, the PDSD recommends that USDA agencies continue to request interim/temporary security clearances through the Department of Defense as needed to facilitate the fulfillment of contractual obligations.

References: Additional guidance on the above can be obtained at:

<http://www.usda.gov/procurement/policy/advisories.html>

<http://www.dss.mil/isec/nispom.htm>

Further Information: For further information, please contact the Personnel and Document Security Division, at 202-720-7373.

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